

Financial Crimes Enforcement Network

BOI Beneficial Ownership Information Reporting

Alert: Impact of Ongoing Litigation – Deadline Stay – Voluntary Submission Only

In light of a recent federal court order, reporting companies are not currently required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so while the order remains in force. However, reporting companies may continue to voluntarily submit beneficial ownership information reports.

The Corporate Transparency Act (CTA) plays a vital role in protecting the U.S. and international financial systems, as well as people across the country, from illicit finance threats like terrorist financing, drug trafficking, and money laundering. The CTA levels the playing field for tens of millions of law-abiding small businesses across the United States and makes it harder for bad actors to exploit loopholes in order to gain an unfair advantage.

On Tuesday, December 3, 2024, in the case of *Texas Top Cop Shop, Inc., et al. v. Garland, et al.*, No. 4:24-cv-00478 (E.D. Tex.), a federal district court in the Eastern District of Texas, Sherman Division, issued an order granting a nationwide preliminary injunction that: (1) enjoins the CTA, including enforcement of that statute and regulations implementing its beneficial ownership information reporting requirements, and, specifically, (2) stays all deadlines to comply with the CTA's reporting requirements. The Department of Justice, on behalf of the Department of the Treasury, filed a Notice of Appeal on December 5, 2024.

Texas Top Cop Shop is only one of several cases in which plaintiffs have challenged the CTA that are pending before courts around the country. Several district courts have denied requests to enjoin the CTA, ruling in favor of the Department of the Treasury. The government continues to believe—consistent with the conclusions of the U.S. District Courts for the Eastern District of Virginia and the District of Oregon—that the CTA is constitutional.

While this litigation is ongoing, FinCEN will comply with the order issued by the U.S. District Court for the Eastern District of Texas for as long as it remains in effect. Therefore, reporting companies are not currently required to file their beneficial ownership information with FinCEN and will not be subject to liability if they fail to do so while the preliminary injunction remains in effect. Nevertheless, reporting companies may continue to voluntarily submit beneficial ownership information reports.

Alert: FinCen has learned of fraudulent attempts to solicit information from individuals and entities who may be subject to reporting requirements under the Corporate Transparency Act.

These fraudulent scams may include:

- Correspondence that references a “Form 4022” or “Form 5102” is fraudulent. FinCEN does not have a “Form 4022” or a “Form 5102.” Do not send BOI to anyone by completing these forms.
- Correspondence or other documents referencing a “US Business Regulations Dept.” This correspondence is fraudulent; there is no government entity by this name.

Please be on the lookout for anything that may indicate correspondence you receive is fraudulent. For example, be cautious of any of the following:

- Correspondence requesting payment. There is NO fee to file BOI directly with FinCEN. FinCEN does NOT send correspondence requesting payment to file BOI. Do not send money in response to any mailing regarding filing your beneficial ownership information report that claims to be from FinCEN or another government agency.
- Correspondence that asks the recipient to click on a suspicious URL or to scan a suspicious QR code. Those e-mails or letters could be fraudulent. Do not click any suspicious links or attachments or scan any suspicious QR codes.
- Correspondence regarding penalties. FinCEN does NOT send initial correspondence regarding CTA penalties via e-mail or over the phone. Do not submit payments via phone, mail, or websites as requests/directions to do so are fraudulent.

Please be advised that the following statement at <https://boir.org>: “Boir.org (Beneficial Ownership Information Report) is an officially authorized service provider with the US Government or the Financial Crimes Enforcement Network (FinCEN)” is false.

Use caution when you receive correspondence from an unknown party. Verify the sender. Never give personal information, including regarding beneficial ownership to anyone unless you trust the other party.